

RESULTS

OF

FIVE YEARS GRIT-ROUGE RULE

IN CANADA.

*The Fort Frances Lock—The Kaministiquia Terminus
and Neebing Hotel Job.*

HOW THE MONEY GOES.

Three features connected with the Pacific Railway are sufficiently worthy of remark, having been used by the Government as instruments of the grossest corruption. The first is the Fort Frances Lock, the second the Kaministiquia land purchase, and the third the purchase of the celebrated Neebing Hotel. In relation to all these we have the advantage of evidence given under oath before committees of the Senate, and we are left, therefore, in no way to mere surmise. First, as to

The Fort Frances Lock.

It was intended when this lock was first undertaken, that it would be a part of the Pacific railway. That was the plea upon which Mr. Mackenzie ventured upon it. We have already shown in a former paper that in undertaking it he either violated the law, or ignored the authority of Parliament. If it was part of the Pacific Railway, it should have been let by public tender; if it was not part of the Pacific Railway, Parliament had voted no money for its construction. As to the uselessness of the enterprise, the report of the committee of Senate, based upon evidence presented to it, offers the best evidence.

The lock is situated on Rainy River; it is intended to overcome a fall of 23 feet, now passed by a portage, and, when the

lock is completed, and the obstructions of the Manitou and Long Sault Rapids on Rainy River are removed, there will be unbroken water communication from Rainy Lake to Lake of the Woods. Unfortunately, however, the route to Rainy Lake from Fort Savanne, where the Canadian Pacific connects with the water stretches, involves a passage of nine portages, the difference in fall between these two points being 400 feet; so that we have THE EXTRAORDINARY FACT OF A LOCK BEING COMMENCED AWAY OUT IN THE WILDERNESS, TO OVERCOME A FALL OF 23 FEET, WHILE, TO REACH IT, WILL STILL INVOLVE THE PASSAGE OF NINE PORTAGES AND A FALL OF 400 FEET. It is no wonder that the Senate committee should say that the evidence had satisfied them that this lock, when completed "could not be used for purposes of commerce in connection with the Canadian Pacific Railway so as to form part of the through connection from Lake Superior to Manitoba." So much for the uselessness of this lock, under any circumstances; but the manner in which it has been carried out shows a spirit of recklessness that one can hardly understand. When the Government cancelled the contract for the railway from Fort William to Lake Shebandowan, in order to charge the

location to that by Port Savanne, the amount expended on this lock did not exceed \$73,940. The department at that time evidently took the common sense view, that, as the line of the railway had been changed, and the canal rendered absolutely useless, the work upon it should be stopped; and, in November, 1875, a telegram was sent to the superintendent of the lock to the following effect:—
 "Close all canal works at Fort Frances. Suspend all proceedings." It is evident that these works had proved too valuable an asylum for broken-down political hacks looking for situations, to be thus permanently abandoned; and, in April 1876, the department instructed the superintendent to resume work upon the lock by day labour. The work has gone on ever since, and, according to the evidence of Mr. Sutherland, \$210,389 was expended up to the 30th of June last, and he assumes that the work before it is completed will cost \$250,000. TO SHOW THE ABSURDITY OF THIS LOCK AS PART OF THE PACIFIC RAILWAY, IT IS ONLY NECESSARY TO SAY THAT IT IS A HUNDRED MILES FROM THE NEAREST POINT OF THE CANADIAN PACIFIC; and, according to Mr. Mortimer, one of the engineers examined by the committee, the cost of making even a possible connection between Lake Shebandowan and the Lake of the Woods, outside of this Fort Frances lock, will be \$341,000. The committee, in their report as to the value of these locks, used the following language:—

"Your committee has failed to discover that the Fort Frances Lock can be of use to the Dominion. The evidence shows that it will be of no appreciable advantage even to the locality in which it is situated. The trade of the fertile Canadian bank of Rainy River, and of the whole country west of the lock, will seek the railway at Rat Portage, and little or no portion of it will ascend through the lock and go eastwards, as at the east end of Rainy Lake. It will be confronted with nine rapids and then a 400 feet whirlpool at Port Savanne on Rainy Lake. The country on the east of Rainy Lake is unsuitable for agriculture; a moderate timber trade is all that can be expected to flow from the region. For the accommodation of such a trade, when it springs up, a lock at Fort Frances will not be required, and an expensive slide would answer every purpose, and even that would not have been needed for years. It has been suggested that the lock may be of service as a military work, but evidence was not taken on that

point, as, in the opinion of your Committee, while the lock will be unused for commerce, it cannot be seriously contended that an isolated lock on the frontier of Minnesota may become a serviceable military work of this Dominion."

That conclusion is fully borne out by the evidence of engineers and others examined by the Committee. We have thus \$250,000 spent in a work of absolutely no value to the country, undertaken in violation of law or without the authority of Parliament, and designed simply for the purpose of offering employment to people who are clamoring to be rewarded for services rendered to their party.

The Kaministiquia Purchase.

Whether the Kaministiquia River or Prince Arthur's Landing is the better place for a harbor is hardly a matter for discussion in connection with the purchase of lands on the Kaministiquia. The evidence on the point is conflicting. There is no doubt that by the construction of a breakwater Prince Arthur's Landing could be made a most excellent harbor, while by dredging the sand bars at the mouth of the river, a safe harbor could be had at Kaministiquia. The balance of evidence, however, is undoubtedly in favor of Prince Arthur's Landing, from the fact that it is open to navigation for two or three, and sometimes four, weeks in the year more than the Kaministiquia River. Our object, however, is not to discuss the relative merits of these two points, but to show how gross an act of corruption was committed in the purchase of this land. The Kaministiquia terminus is even yet a wilderness—the land in this vicinity has been sold within the last five or six years by the Ontario Government at the rate of \$4.00 the acre. The fact that connected with the arrangement appears to be these: The land was fixed for a terminus in June, 1874. Had the plan then been fixed and the land immediately acquired, there is no doubt that an enormous saving would have been effected. In December, 1875, the Government had not yet taken steps to procure the land for the terminus, and Mr. Sandford Fleming, the chief engineer, wrote to the department to warn them of the importance of taking immediate possession of the property required for the terminus. In this letter Mr. Fleming said

"the land referred to consists of number of small town lots, and I have recently been informed that these lots are still being bought and sold by private persons. It becomes my duty, therefore to draw the attention of the Department to this subject, so that, if legal possession of the land has not been fully taken, no time may now be lost in the matter." Notwithstanding this warning, however, the valuator were not appointed until 1876, and their instructions included these words:—"You will understand that you are not authorized to close any agreements; all you can do is to settle on a reasonable amount, subject to the approval of the Minister." So that the Government reserved full power to deal with the matter, and cannot, therefore, now fall back upon the statement, as they are doing in their picnic speeches, that the valuator were responsible for the amount paid. When the valuator were appointed, Oliver, Davidson & Co. and their friends were the principal owners of the lots required to be taken for the railway terminus. There is some interesting evidence as to how they became possessed of them. Mr. John Clark, of Toronto, in his evidence, stated that he had bought some lots in 1871 from the Ontario Government at \$4.00 a lot, and these were included in the railway reserve. Being asked whether he still owned them, he said he had sold them to Mr. Davidson of the firm of Oliver, Davidson & Co, in November, 1874, that for four of them he got \$60.00 a piece, and for the other, either \$80.00 or \$100.00. Then came this interesting list of evidence:—

"Q. Did Mr. Davidson give any reason for purchasing them, after the sale? Yes, he stated he knew the terminus was to be there. It was not generally known whether it was to be there or at Prince Arthur's Landing."

"Q. What did he say? HE SAID HE GOT HIS INFORMATION FROM MR. MACKENZIE."

"Q. That was at what time? The latter part of November, 1874."

"Q. Did Mr. Davidson show you any map that he had of the railway reserve there? He did. He came in and showed me a map. It was colored the same as plan exhibit 'A.'"

"Q. Did he say where he got this map? HE SAID HE GOT IT FROM OTTAWA."

"Q. Was any person present when he showed this map? Yes. Mr. Savigny, of Toronto, a surveyor."

"Q. Is the Committee to understand that in the fall of 1874 Davidson showed you a plan of

Fort William town plot, colored in the same way as exhibit "A." It was colored; I cannot say that it was the same as this plan. IT WAS COLORED SO AS TO SHOW WHERE THE TERMINUS WOULD BE, AND HE TOLD ME THE GOVERNMENT HAD TO GET ALL THESE COLORED LOTS."

"Q. But he mentioned Mr. Mackenzie's name with regard to the information? He did."

"Q. What did he say? HE SAID MR. MACKENZIE TOLD HIM THE TERMINUS WAS TO BE THERE."

The Mr. Savigny, who is spoken of in this evidence as having been present when the conversation occurred, was afterwards examined, and, after referring to the purchase of lots by Davidson from Clark, and to his (Savigny's) surprise that so much should be paid for land that was only worth four or five dollars a little while before, the examination continued as follows:

"Q. When did this conversation with Mr. Davidson occur? At the close of the sale in the end of November, or the beginning of December, 1874."

"Q. Did he make any reply to you? Yes, he said he was not such a fool as to buy land without knowing the value of it and what he was going to do with it."

"Q. Did he give you any explanation of it? He said it was going to be the terminus of the railway, that he knew it from the very best authority."

"Q. Did he tell you what that authority was? He showed me a map—a tracing."

"Q. Of what? A tracing of a map of the town plot, showing the amount of land required by the Government for the terminus of the railway."

"Q. Was the plan exhibited to you a rough sketch that any one might make, or was it a regular plan, made by a professional draughtsman? To my mind it was a tracing from a finished survey or plan, such as I was in the habit of getting from the Crown Lands Department—a regular tracing from the plan."

"Q. And you say the lots required for the railway terminus were marked on that plan? The block of land required for the railway terminus was marked on the plan and marked a "lake" or pink color."

"Q. Did you ask, Mr. Davidson, where he got the plan? Yes, of course I did; I thought it very curious that he should have it."

"Q. How did he explain that he came in possession of it? He said he got it from the best authority—that it was perfectly authentic."

"Q. Did he show it to you as being a thing that everybody could see, or was it confidential? No; he said it was confidential."

Thus, the evidence goes to show that Oliver, Davidson & Co. were in possession of information before the general public, and that they were purchasing land as the result of that information. We have, thus, the fact that the place was fixed upon as the terminus in June, 1874—that in December, 1875, Mr. Fleming warned the Government that loss would occur if they did not at once obtain legal pos-

session of the property, that the valuers were not appointed until 1876, AND THAT, IN THE MEANTIME, OLIVER DAVIDSON & CO., HAVING OBTAINED THEIR INFORMATION, AS THEY ALLEGE, FROM MR. MACKENZIE, AND HAVING IN THEIR OFFICE A MAP FURNISHED BY THE DEPARTMENT. WERE BUYING UP THE LAND WHICH THEY WERE SUBSEQUENTLY TO SELL TO THE GOVERNMENT. The valuers appointed by the Government were Mr. Hugh Wilson, of Mount Forest; Mr. Reid, a bookseller of London, and Mr. Peter J. Brown, of Ingersoll, a lawyer. Mr. Brown was appointed, as Mr. Mackenzie said, to see to the perfecting of titles, but in reality as the legal representative of the Government, to advise in the purchase of the property. WHEN IT IS STATED THAT THIS MR. BROWN WAS A PARTNER IN THE FIRM OF OLIVER, DAVIDSON & CO., AND WAS, THEREFORE, INTERESTED IN THE LAND THAT WAS TO BE PURCHASED, it will be seen how improper his appointment was. The result proves this, if there had been any doubt before. It is well known that the law relating to this matter declares that, in taking property for public works, the valuator shall not assume the increased value to be given to the property by the construction of these works. In other words, that the value of the land is to be what it would have been to an ordinary purchaser if the works were not going on at all. Now, the value of land at this point, without reference to the Pacific Railway terminus, we have seen was, in 1871 and 1872, only about \$8.00 an acre. It is impossible for anyone to imagine that, but for the railway, it would have increased to any considerably higher sum within three years; and yet THE AVERAGE PRICE GIVEN TO OLIVER, DAVIDSON & CO., WAS ABOUT \$500 AN ACRE. The Committee in their report say:—

“For the land taken from Oliver, Davidson & Co., and others, the Government paid at the rate of \$500 to \$600 per acre. In 1872 or 1873 Oliver, Davidson & Co. purchased lot six in the Township of Neebing, adjoining the town plot, containing 156 acres, for about five dollars per acre, your committee submit that the enhanced value of this property was due to the placing of the terminus where it is. YET FOR EIGHT ACRES OF IT THE GOVERNMENT, ADVISED BY THE VALU-

ATORS, PAID ABOUT FIVE HUNDRED DOLLARS PER ACRE, BEING ABOUT FOUR THOUSAND DOLLARS FOR EIGHT ACRES, OR OVER THREE THOUSAND MORE FOR THE EIGHT ACRES THAN OLIVER, DAVIDSON & CO. PAID FOR THE ENTIRE LOT, OF ONE HUNDRED AND THIRTY-SIX ACRES.”

Mr. Wilson, when under evidence, was questioned as to whether they had applied the Railway Act to the purchase of this land, and the evidence on that point is worth quoting:—

“Q. In fixing the price of lots did you apply the clause of the Railway Act of 1868, Vic. 31, chap. 63, subsection 18 of section 9, in reference to arbitrator? No. I was under the impression that it did not apply to that particular case.

“Q. Was there not a clause in your instructions which specially applied to that clause? Yes.

“Q. How did you inform yourself as to the bearing of this clause? I spoke to our legal adviser, Mr. Brown, and also to Judge Van Norman on the matter, and eventually the valuation was fixed according to the price of other lands in the neighborhood.

“Q. What did Judge Van Norman advise? He would not give me any advice in the matter at all.

“Q. What did Mr. Brown advise? I really could not say positively, but it was to this effect—that it was questionable whether the act would apply in this case, and I thought myself it would not apply. That was my opinion.”

We have thus this extraordinary state of things—that the Government gave to friends information in advance of the general public, in order to enable them to get possession of property, so that they might make a great deal of money out of it. WE HAVE THEM THEN APPOINTING ONE OF THE OWNERS OF THE PROPERTY AS THE LEGAL REPRESENTATIVE OF THE GOVERNMENT IN ADVISING THE VALUATORS, and we have them finally consenting to ignore the Act of Parliament passed expressly to prevent such things being done. It is right to say that the Hon. Mr. Mackenzie, in his evidence, stated that he was not aware that Mr. Brown was a partner in the firm at the time he was appointed. Here is his evidence upon that point:

“Q. Was Mr. Brown appointed by the Department of Public Justice? Yes, he was. I think I requested them to do it, as that is generally the method. In some places we have our regular agent, who does all the work. For instance, at Halifax, St. John, Victoria and Winnipeg; but in scattered places, where it is only temporary employment, we have to find out the most convenient. Mr. Brown was selected from the knowledge I possessed that he

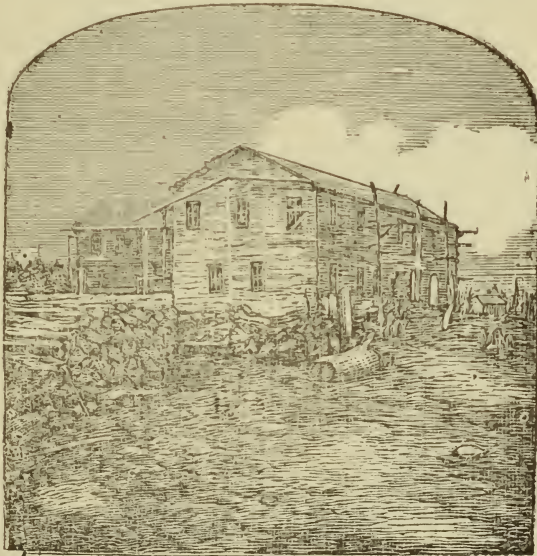
either had an office there or was there often, and I knew no other practitioner at the place.

"Q. Are you aware that Mr. Brown formed one of the company of Oliver, Davidson & Co.? I was not aware of it until Mr. Reid told me.

"Q. Then you could not have been aware of the fact that he was interested in lands with them? I was not aware of it until the same day, as you will find by my letter.

Unfortunately, however, for Mr. Mackenzie's veracity in this matter, we have a return submitted to Parliament last session, for copies of specifications on which tenders were invited to construct the Lake Superior and Fort Garry sections of the Canadian Pacific Telegraph; and, in that return, is a contract entered into on the 9th day of February, 1875, a year before the appointment of the arbitrators in the Kaministiquia land matter, between the Government and Messrs.

Oliver, Davidson & Co.; and, in that contract, we find the firm of Oliver, Davidson & Co. is stated to be composed of Adam Oliver, of the town of Ingersoll, Joseph Davidson, of the City of Toronto, AND PETER JOHNSON BROWN, of the Town of Ingersoll. We find the names of these three gentlemen appended to the contract IN THE PRESENCE OF MR. MACKENZIE, WHOSE SIGNATURE APPEARS JUST BELOW THEIRS. All these three gentlemen are strong political friends of Mr. Mackenzie, and it is simply absurd, therefore, to suppose that he had forgotten that Peter J. Brown was a partner in the firm of Oliver, Davidson & Co. when he appointed him the legal adviser of the Government in purchasing land from the firm for the benefit of the Government.



Neebing Hotel.

In connection with this Kaministiquia land purchase was the Neebing Hotel job. It appears from the evidence taken before the committee that Messrs. Oliver, Davidson & Co. had a lot of culled lumber on land which they were anxious to dispose of. They formed a bogus company, called the Neebing Hotel Company, and commenced to put up a hotel

on the railway reservation. According to the evidence of Mr. Reid, the hotel was "built five months after the time the reservation had been made." This is another instance of the loss to the Government from the failure to register the plans and take possession of the property, the moment the site was determined upon. This building has been a subject of considerable amusement in

the political discussions that have taken place. In order that our readers may understand its character, we give a sketch of the building as it stood when purchased by the Government. That illustration is from a photograph taken on the spot, and its accuracy has never been denied. Mr. Reid in his evidence stated that he obtained from Mr. Durand, who was a valuator for nearly all the insurance companies in the Dominion, a practical builder, his opinion as to the value of the building. Mr. Reid described the building to Mr. Durand and we may fairly assume that, as he was the Government valuator, his description of it did it no injustice. And yet the estimate of its value by Mr. Durand was that a similar building, could be erected in London for \$2,500. The evidence of Mr. Henderson who built the Hotel in some respects very interesting. Here are a few passages of that evidence selected at random which will enable the reader to understand the motive for the erection of the building and the manner in which it was erected:—

“Q. Had you plans and specifications for the building that was to be erected? I understood by Mr. Davidson that he had the plans and specifications but when I got up there he had none. He merely gave me an outline or sketch of how the building was to be made.

“Q. Did he sketch it himself? YES; HE SKETCHED IT ON A PIECE OF BOARD AND TOLD ME TO IMPROVE ON IT MYSELF AND MAKE ANY ALTERATIONS I LIKED; me being a builder he said I would have an idea of how to build it.

“Q. Did he tell you what size he wanted the building to be? Yes; he told me to make it large enough.

“Q. Can you state to the committee how much of this 65,000 feet of lumber was used in the building? I think about 50,000 feet.

“Q. As there a quantity of material removed after you left? Yes; there was a quantity of material left and piled up in front of the hotel when I stopped working on the building?

“Q. Do you know what became of any of that material, that is the lumber? It was piled in front of the hotel. I believe there was some taken away. I saw about three hundred feet taken away.

“Q. Who took it away? MR. OLIVER'S FOREMAN.

“Q. Where was it taken to? To several little cottages that the Government were building further up the road.

“Q. Who was building these cottages? Oliver, Davidson & Co.

“Q. On their own account? For the Government.

“Q. By contract? Yes.

“Q. Look at the account sent in by Oliver,

Davidson & Co., and say what number is charged there? Forty-four doors.

“Q. Were there thirty-four doors delivered by Oliver, Davidson & Co. to you at Fort William? Thirty-four doors is all that were delivered.

“Q. In what condition were those doors when delivered; were they complete, cramped, dressed, and moulded? No; they were just ready to be cramped. The stiles and panels were merely put together, they were not dressed and not cramped.

“Q. How many of those doors were used in the hotel? Ten doors.

“Q. What were those doors worth in the state they were delivered? They would be worth up there about \$1 50.

“Q. Look at the account of Oliver Davidson & Co. and say how much was charged by them for these doors? There are four different sizes of doors. There are doors 2x8 and 6x8, \$2 75. These doors, in the state they were, were worth about \$1 50 each.

“Q. What was the quality of lumber used in this hotel? It was common lumber.

“Q. What could lumber such as that he obtained for from the South shore or at Prince Arthur's Landing per thousand feet? About \$11 or \$12 per thousand.

“Q. Would that be good lumber, or such as this? It would be first-class lumber. About half the bill was what we call common lumber, and the other half was what we call culls.

“Q. How much are these culls worth per thousand? About \$3.

“Q. What is the other worth? About \$12.

“Q. Did you ever object to the quality of lumber that was going into the hotel when speaking to Mr. Oliver? Yes; I did.

“Q. What did he say? He said it was all right.

“Q. Was the building that was erected a very substantial structure? No; it was not; IT WAS A VERY POOR STRUCTURE.

“Q. Did you erect it under the instructions of Mr. Oliver? Yes; entirely under his instructions.

“Q. What was the size of the post or outside studding? 2 x 4.

“Q. What kind of foundation did this house rest on? On cedar posts.

“Q. Did you put a cellar under the building? Yes.

“Q. Under the whole of it? No.

“Q. Was it laid up with lime and sand? NO; IT WAS LAID UP WITH BLUE CLAY.

“Q. Was it stoned when you left? NO; IT HAD PARTLY FALLEN DOWN WHEN I LEFT.

“Q. Who laid up the stone, was it a mason? NO; DAY L BORERS.”

“Q. I see there is in your account \$1,225 charged for labor; did it actually cost that? Labor on the building?

“Q. That is the labor expended on the building? No, it did not cost exactly that.

“Q. How much was actually spent in labor, or what could you have erected that building for at that time? I COULD HAVE ERRECTED IT FOR ABOUT \$500.

It will be seen that the putting up of this building was simply a scheme for getting rid of a lot of old lumber at fancy prices, that the accounts sent in to the Government were fraudulent accounts,

and that the Government became responsible for this loss to the country by its own neglect in not earlier filing the plans for the reservation. Mr. Wilson's evidence gives some particulars as to how the price paid for the building was arrived at. The following are extracts from that evidence:

"Q. How did you arrive at the value of the Neebing Hotel, for which \$5,029 was paid? The intention was to pay the actual cost of the building, and we were furnished a detailed account of what the building had cost up to the time work had stopped, which with five hundred dollars damages added to it made up the amount.

"Q. Who furnished the accounts to you? I think I got them through Mr. Brown's hands. They were furnished from Mr. Oliver's office. I understood the accounts were kept in Mr. Oliver's office.

"Q. Was Mr. Brown a stockholder? I understood he was interested in the Company.

"Q. You based the value on the material that was said to be used in the construction of the building? Yes.

"Q. Did you ascertain whether the lumber and other material charged in Oliver Davidson & Co.'s bill had been used in the building? No, I went up twice to measure the building. I did not know whether it would be advisable to measure it, having the accounts, and took it for granted, from what they assured me, that all the material had been used in the building.

"Q. What sort of a building was it as to appearance and general size? IT WAS A VERY TEMPORARY STRUCTURE.

"Q. What kind of a frame was it? Would they call it a balloon frame? It was what is usually called a balloon frame.

"Q. How did you ascertain its value if you did not make any valuation? I was informed that the Government intended to pay the actual cost of the building, and that the detailed account furnished by Mr. Oliver was the cost of the building which I was to forward to the Government to investigate.

"Q. Who informed you that the Government were to pay the actual cost of the building? I think Mr. Brown and Mr. Oliver both.

"Q. Did you in any way certify the truth of the statement of material furnished by Mr. Oliver, or did you assume that the accounts furnished you were the correct accounts of the material used? I understood they were the lowest figures they would take as the actual cost of the building up to that time.

"Q. When you sent them to the Government did you make any report on them? I did not. My colleague, Mr. Reid, carried them down from Toronto to Ottawa, and he was to explain the report.

"Q. Was there any painting done in the building? I think not.

"Q. Would you look at the account as furnished by Mr. Oliver and ascertain if there is any paint charged, and the quantity and cost? Yes, I notice there are two entries, one of \$20 and one of \$18, together they make \$38, but it is charged at \$33.25, as there is a discount of ten per cent.

"Q. Would you look at the account and ascertain the quantity of oil, turpentine and varnish that was furnished? Twenty-five gallons of boiled oil, and 70 cts., apparently

for the barrel, \$13.10; ten gallons of turpentine at 80 cts., and two tins, each 75 cts., making \$0.50; five gallons of furniture varnish, \$6.25; one pound of lamp-black, 50 cts., making \$9.50; five gallons furniture varnish, \$6.25; one pound of lamp-black, 20 cts.; four pounds of venetian red, 14 cts., and ten pounds of patent dryer, \$1.05; two pounds of yellow ochre, 6 cts., making in all \$34.45.

"Q. Would you look at the account, and see how many doors are charged there? I might mention that there was a pile of doors up stairs in the upper storey of the building at the time that were not hung and some sashes. There are forty-four doors charged in the account.

"Q. At how much per door? One at \$7, one at \$1.50, two at \$1 each, fifteen at \$1 each, twenty-five at \$2.75 each, making in all \$123.25.

"Q. Were the sashes in and the glazing done? Only that portion of the building in which Mr. Henderson was living.

"Q. And that comprised how many rooms? The two plastered rooms. I was only in one. There might have been three rooms, as the front room might have been divided into two.

"Q. But you could tell from outside how many windows there were? ABOUT FOUR WINDOWS.

"Q. Look at the account and see how much glass was charged? The total amount is \$32.52.

"Q. What is the quantity of glass? TWENTY-THREE BOXES AND 232 PANES.

"Q. Look at the account and see how many thousand shingles were charged for by Messrs. Oliver, Davidson & Co? Forty-six thousand, amounting to \$101.

"Q. Do you think it required forty-six thousand of shingles to shingle that portion? No.

"Q. How much of the flooring was laid? I could not say positively, but, I think, most of the floor on the east wing was laid, and a good portion of the upper floor.

"Q. Was there much of the upper floor laid? There was a portion laid in the main building and in the wing.

"Q. Making altogether how much? I did not make any calculation. I did not measure the flooring that was laid, because there was a lot of flooring in the building not laid.

"Q. Look at the account of Mr. Oliver, and see the quantity charged? Fifteen thousand eight hundred and seventy-two feet, costing \$35.93.

"Q. Look at the account, and see if four dozen of sash fasteners are charged there? Yes.

"Q. Were they used in the building? I could not say. I am not aware that any were used.

"Q. What is the cost of those fastenings? Nine dollars and twenty cents.

"Q. How many locks and knobs were charged? Six and three-quarters dozen of locks and the same of knobs, charged at \$37.83.

"Q. Do you think that those were used in the building? Not all of them; a few of them were on the doors that were hung.

"Q. Were the chimneys built in this hotel? One flue, I believe, in the portion of the building that was finished. There had been a brick top on it, but it fell off or mouldered away. It was brick masonry in the neighborhood, and it did not stand the weather.

"Q. Were the chimneys built on to the hotel properly built from the foundation? No, they were not."

The figures in relation to the material used as contrasted with the material charged for in connection with this hotel may be thus briefly summarized:—

Good lumber charged for (ft.)....	65,775
Slabs and culls actually used (ft.).....	45,000
Doors charged for.....	44
Doors actually used....	14
Value of doors (each).....	\$1.25
Price charged for doors	\$2.25
Panes of glass charged for.....	225
Panes actually used....	48
Paint charged for (tins).....	16
Paint actually used (tins).....	1½
Tin charged for (cases).....	16
Tin actually used.....	nil
Shingles charged for.....	45,000
Shingles actually used..	15,000
Builder's valuation of hotel.....	\$2,000
Price paid for it.....	\$5,029

The Government really was not called upon to pay a dollar for this building, on account of its having been erected after the reservation was made. Mr. Reid, in his evidence, admits that he called the attention of the Government to this point. Here is the question and answer:—

"What conversation took place there with Mr. Trudeau—anything special? Yes. I remember I drew his attention specially to the difficulty we had about it, and we had come to the conclusion that we must leave it to the Government to say whether under the circumstances, until the legal difficulty was settled they could claim under the Act or not. We agreed, however, if they could make affidavit to the correctness of their accounts, so far as they could establish they were correct, we would be willing to allow that amount if the legal difficulty were overcome."

THE GOVERNMENT, HOWEVER, TOOK NO STEPS TO TEST THE

LEGAL QUESTION, TOOK NO STEPS TO OBTAIN AFFIDAVITS AS TO THE CORRECTNESS OF THE ACCOUNTS, BUT ON THE CONTRARY PAID THE AMOUNT CLAIMED BY OLIVER, DAVIDSON & CO. WITHOUT HESITATION. As an illustration of the slovenly manner in which this whole matter was conducted, it may be mentioned that, during the evidence, it came out that the lot upon which the Neebing Hotel stood had been paid for twice, and, in order to avoid trouble, Mr. Peter J. Brown, deposited to the credit of the Government \$500 the price of the lot. But for the investigation undertaken by the Senate that fact would never have been known, and the money would have been lost. It is but an evidence, however, of the way in which the public interests were disregarded in connection with these proceedings.

It may be asked why the Government should have given so many favors to this firm of Oliver, Davidson & Co.? There is but one answer to be made. Mr. Crooks, Treasurer of the Province of Ontario, when defeated in West Toronto, remained out of the Legislature for some months, unable to obtain a seat. At last, Mr. Adam Oliver, then representative for South Oxford, consented to retire and allow Mr. Crooks to become the candidate. The reward for this act of self-abnegation on the part of Mr. Oliver is to be found in the transactions to which we have been making reference. The country paid some \$50,000 in order to obtain a seat for the Treasurer of the Province of Ontario.